

REMARKS

In an Office Action in the parent case, the Examiner rejected claim 1 under 25 U.S.C. §103(a) as being unpatentable over Golden, in view of Basralian, *Up the Bond Staircase*. Applicant respectfully traverses this rejection.

Golden teaches a method and system for administering at least part of a program to provide a person with guaranteed lifetime income with a measure of liquidity using at least an initial contribution of assets.

In contrast, the invention recited in claim 7 includes a method for automatically managing an initial funding amount to achieve a future rate of return that will be consistent with future economic conditions without diminishing principle. The method includes, *inter alia*, dividing each portion between the primary and secondary term investment vehicles and maintaining an ongoing investment structure for an additional term as each portion of the initial funding amount matures at the end of the corresponding investment term by determining a reinvestment of gross proceeds for an additional investment term. Maintaining the investment structure includes receiving updated input values for the cost of the primary investment vehicle and the cost of the secondary investment vehicle, matching the secondary investment vehicle to the primary investment vehicle to maintain a consistent level of reinvestment, and scheduling the automatic purchasing of primary and secondary term investment vehicles as determined after matching.

The Examiner admitted that Golden does not teach or disclose maintaining an ongoing investment for an additional term as set forth in claim 7. Golden also does not teach dividing each portion between the primary and secondary term investment vehicles. The Examiner argued that Basralian teaches maintaining an ongoing

TROJETTE • HENDERSON

investment for an additional term, but Basralian does not teach or disclose a primary investment vehicle and a secondary investment vehicle. As such, Basralian does not teach or disclose receiving updated input values for the cost of the primary investment vehicle and the cost of the secondary investment vehicle. Basralian also does not teach or disclose matching the secondary investment vehicle to the primary investment vehicle to maintain a consistent level of reinvestment. Furthermore, Basralian does not teach or disclose scheduling the automatic purchasing of primary and secondary term investment vehicles as determined after matching, or dividing each portion between the primary and secondary term investment vehicles. As such, the combination of these references does not teach the invention as recited in claim 7.

At least for these reasons, Applicant submits that claims 7-10 are allowed over Golden in view of Basralian's *Up the Bond Staircase*.

If there is any fee due in connection with the filing of this Preliminary Amendment, please charge the fee to our Deposit Account No. 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Dated: October 16, 2001

By:


E. Robert Yoches
Reg. No. 30,120

LAW OFFICES
FINNEGAN, HENDERSON,
FARABOW, GARRETT,
& DUNNER, L.L.P.
1300 I STREET, N.W.
WASHINGTON, DC 20005
202-408-4000